




Speech By
Daniel Purdie

MEMBER FOR NINDERRY

Record of Proceedings, 14 November 2018

MINERAL AND ENERGY RESOURCES (FINANCIAL PROVISIONING) BILL

 **Mr PURDIE** (Ninderry—LNP) (12.32 pm): I rise to make a contribution on the Mineral and Energy Resources (Financial Provisioning) Bill 2018. This bill was originally tabled back in October 2017 in the 55th Parliament prior to the last election and obviously lapsed. This new bill was introduced into the 56th Parliament back in February.

The 2017 bill was considered by the parliamentary committee but was never debated in parliament. This new similar bill was introduced into the 56th Parliament back in February, as I said, and was referred to the Economics and Governance Committee. This being the last bill for our committee that we will be debating this year I would like to take this opportunity to acknowledge the members of the committee. I would like to acknowledge our chair, the member for Logan, and our esteemed deputy chair, the honourable member for Mermaid Beach, along with the members for Pine Rivers and Redlands. I would also like to acknowledge the very honourable member for Bonney. Although he does not look that honourable at the moment with his mo, I can say that back when we debated this bill he did look honourable. I hope he is making some money for prostate cancer for Movember because he is not making any friends at the moment.

Mr O'CONNOR: Mr Deputy Speaker, I rise to a point of order. I take personal offence and I ask the member to withdraw.

Mr DEPUTY SPEAKER (Mr Stewart): Order! Member for Ninderry, you have been asked to withdraw.

Mr PURDIE: I withdraw.

Mr DEPUTY SPEAKER: Let's get back to the bill, member for Ninderry.

Mr PURDIE: It is an important issue. Seriously, I would like to genuinely acknowledge the work of the secretariat. We all know of the hard work that they do and the support that they have given not just on this bill but on all the bills we have considered and the reports we have drafted and tabled this year. I would sincerely like to thank the secretariat.

In relation to this bill, our committee received a considerable number of submissions—about 50. We heard from a number of stakeholders during the public briefing and public hearings. I think it is a shame that this bill has been before the 55th Parliament and this parliament for over a year and we have only now in the last few hours been given 40 pages of amendments that neither the committee nor I have had the appropriate time to scrutinise.

As I said, this is an important issue. No-one in this state wants to see an abandoned mine that has not been rehabilitated to an acceptable standard. As we have heard others outline earlier in this debate, the policy objectives of this bill are to manage the financial risk to the state if mineral and energy resource tenure holders do not comply with their environmental management and rehabilitation obligations and to ensure land disturbed by mining activities is rehabilitated to a safe and stable land

form that does not cause environmental harm and can sustain an improved postmining land use. The bill proposes to implement these reforms by establishing a new financial provisioning scheme and by implementing mining rehabilitation reforms.

The catalyst for this bill is that unfortunately a number of cases have emerged where operators were unable to meet their rehabilitation obligations. Concerns had also been raised about the quality of rehabilitation work undertaken. As a result, the Queensland Treasury Corporation undertook a review into current financial assurance arrangements. The explanatory notes state that the proposed new scheme 'does not change the environmental or rehabilitation obligations' but is 'designed to protect the state's financial interest'.

The explanatory notes also state that the new financial provisioning scheme seeks to substantially be self-funded. This scheme fund sets out the requirements for how the fund accounts are to be kept, how amounts must be deposited and how the scheme is to be managed. An important point is that payments made to the fund are controlled receipts and are not part of consolidated revenue. An amount is payable from the fund only for the purposes of the act or to repay an amount advanced to the fund by the Treasurer.

There are some alarming components of this bill. The first one is the lack of transparency. During the committee process, the Office of the Information Commissioner raised concerns about changing the RTI Act to exempt documents and communications to the scheme manager. I understand from a sidebar conversation with the chair of the committee that the 40 pages of amendments that I have not had a chance to scrutinise in detail yet do address some of these issues.

Unsurprisingly, though, there were a number of submissions received by the committee raising concerns about these lack of transparency issues as this government talks the talk about transparency but certainly does not walk the walk. This is an important issue not only in terms of having a viable resource sector but to ensure that our natural environment is protected and maintained for future generations to come.

As at April 2017, Australia had 220,000 hectares of land that were under resource exploration, with an estimated rehabilitation cost of \$8.7 billion. In 2016-17 our minerals and energy sector contributed over \$25 billion to the Queensland economy, with a total supported workforce of almost 51,000 full-time employee positions and around 300,000 total jobs linked directly to the mining industry in Queensland. That also included \$4 billion paid to the state government whether that be by royalties, stamp duty, payroll tax or land tax.

Although I think everyone supports a regime or legislation that supports a viable and sustainable resource sector that ensures our natural environment is protected, there are major concerns around this bill from a number of key stakeholders, even stakeholders who do not always see eye to eye. The CFMEU, in conjunction with the Queensland Resources Council, sent all members of the Economics and Governance Committee a copy of a letter addressed to the Premier on Friday raising their joint concerns about the bill in its then current form. They believed that the bill, as it was drafted, could jeopardise the 300,000 Queensland jobs that are directly tied to the mining industry in this state.

As I mentioned earlier, this bill was originally tabled in the previous parliament, and I understand new amendments were frantically being drafted over the past few days only after the intervention of and to appease the CFMEU. It is disappointing that the committee has not had a good chance to research and deliberate on these amendments. An article in the *Australian* newspaper on Monday, written off the back of an independent audit conducted by Ernst & Young, reported that 16 Queensland mines may be forced to shut and more than 2,500 jobs may be lost under this rehabilitation plan proposed by the Treasurer that could lead to a \$100 billion hit to the state's commodity producers. The *Australian* goes on to say—

Some of the world's largest resources companies, including BHP, Anglo America, Peabody Energy and Glencore, are reeling from amendments to the Mineral and Energy Resources Bill that threaten to impose crippling financial imposts on existing mines ... 16 mines are at high risk of "net asset deficiencies", which indicates potential insolvency.

If the mines owned by those companies closed, the sector could lose 2540 jobs, representing \$306 million in wages and \$2.2 billion in economic output ...

As I said earlier, I appreciate that 40 pages of amendments were circulated through the chamber at about 11 o'clock this morning and some of these issues I understand might be addressed in those amendments. Again, it is disappointing that we have not had a chance to scrutinise them at this stage. In closing, we need to balance the need for a thriving mining sector with protecting our environment, and we need to make sure these bills and the amendments do that.